

# HARGROVE, PESNELL & WYATT

BILLY R. PESNELL  
JOSEPH L. HARGROVE, JR.  
DAVID L. SMELLEY  
PAUL A. STRICKLAND  
SCOTT C. SINCLAIR  
W. BROOKS MAY  
JASON C. FALUDI

(A PROFESSIONAL LAW CORPORATION)  
AMERICAN TOWER, SUITE 600  
401 MARKET STREET

SHREVEPORT, LOUISIANA 71101-3239

THOMAS J. WYATT (1942-1996)

MAILING ADDRESS  
POST OFFICE BOX 59  
SHREVEPORT, LOUISIANA 71161-0059  
TELEPHONE (318) 429-7200  
TELECOPIER (318) 429-7201

March 25, 2003

OF COUNSEL  
WILLIAM G. CONLY

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston B Zone, SIBLEY FIELD, Webster Parish,  
Louisiana.

Dear Sir:

NELSON ENERGY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Hosston B Zone in the Sibley Field, Webster Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize its Burson 28 No. 1 Well as the unit well for HOSS B SUM at the location shown on an attached plat, in exception to the well location provisions of Office of Conservation Order 148-J, effective February 1, 1972.
2. To find that the proposed well is necessary to efficiently and economically drain a portion of the Hosston B Zone underlying HOSS B SUM which cannot be efficiently and economically drained by any existing well on the unit.
3. To designate Nelson Energy, Inc., as operator of HOSS B SUM.
4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Hosston B Zone in the Sibley Field, Webster Parish, Louisiana, is fully defined in Office of Conservation Order No. 148-J, effective February 1, 1972.

Pertinent data concerning this application is available for inspection at the offices of Nelson Energy, Inc., 401 Edwards Street, Suite 1500, Shreveport, Louisiana 71101-3140. Any person wishing to inspect such data should call Mr. Danny Moreland at (318) 226-0700 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

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Honorable James H. Welsh  
March 25, 2003  
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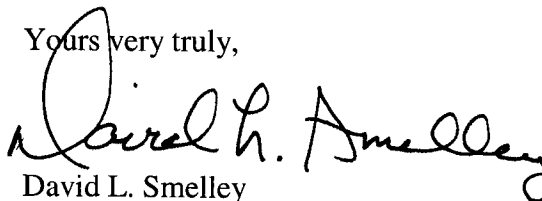
As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter and of the attached plat is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Sibley Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

A handwritten signature in black ink, appearing to read "David L. Smelley". The signature is fluid and cursive, with the first name "David" being the most prominent.

David L. Smelley

-- Attorney for Nelson Energy, Inc.

DLS:dp  
Enclosures

cc: Mr. Jim Broussard (w/encls.)  
Mr. Danny Moreland (w/encls.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plat only)

18 N  
9 W

20

21

HOSS B SU BB

22

Nelson  
Mons 1  
11,586'  
Nelson  
Hawk 1  
9293'

Nelson  
Ary 1  
9544'  
2

12,800'

Nelson  
Seeger 1  
11,435'

NELSON  
Worsham 1

12,842'  
8612'

HOSS B SU FF

HOSS B SU M

HOSS B SU N

29

28

Franks & Petrolund  
A Alexander  
Ø  
9300'

Proposed Nelson  
Burson 28-1

Bottom Hole Loc.  
330 FEL, 1200 FSL

Surf. Loc.  
150 FEL, 1080 FSL

Crow  
Frazier  
Ø  
8503'

Nelson  
Burson 1  
10,628'  
Sonat  
Burson-Mears 1  
7100'

27

Sonat  
Burson 2  
9150'

Sonat  
Palmer  
1-A  
9505'

Arkla  
1  
7205'

Sonat  
Burson 1  
9456'

NELSON  
Worsham  
9200' B #1

SONAT  
Smith  
1-A-1  
9100'

Nelson  
Coleman  
Ø  
11,100'

Nelson  
Burson-Mears  
1  
Sonat  
Connell  
A #1-ALT  
9754'

Sonat  
Burson-Mears  
1-ALT  
9456'

HOSS B SU L

HOSS B SU D

32

33

Williamson  
McGinty  
Ø  
9115'

Crow  
McGinty  
Ø  
7500'

Sonat  
Burkhalter  
2  
8800'

Sonat  
Glass  
Ø  
9000'

Sonat  
Reed  
Ø  
8800'

Delta  
Reed  
Ø  
7112'

Sonat  
Reed  
Ø  
8800'

Sonat  
Burson-Mears  
Ø  
9000'

Sonat  
Burkhalter  
Ø  
9004'

Sonat  
Burkhalter  
Ø  
8600'

Kelley  
Burson  
Ø  
9150'

Atlantic  
Roberts  
Ø  
7150'

HOSS B SU C

34 8900'

Kelley  
Burton  
Ø  
8900'

Kelley  
Mears  
Ø  
8972'

Kelley  
Burson  
Ø  
8782'

Kelley  
Alford  
Ø  
8900'

8972'

Franks  
Seamsters  
Ø  
9070'

Kelley  
Stewart  
Ø  
8896'

Kelley  
Bodcow  
Ø  
7925'

2

**nclson  
energy**

EXHIBIT NO. 1

DOCKET NO.

ORDER NO.

Geol. D. Moreland

Date:

LEGEND

○ UNIT WELL

□ ALTERNATE UNIT WELL

△ PROPOSED UNIT WELL

— HOSSTON "B" UNITS AS PER  
148-J SERIES OF ORDERS

WELLS 7000' OR SHALLOWER  
REMOVED FROM BASE

PROPOSED UNIT WELL PLAT  
HOSS B SU M  
SIBLEY FIELD  
WEBSTER PH., LA.

